



# San Joaquin Valley Air Pollution Control District

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[www.valleyair.org](http://www.valleyair.org)

DATE: August 17, 2006

TO: SJVUAPCD Governing Board

FROM: Seyed Sadredin, Executive Director/APCO  
Project Coordinators: Sandra Lowe-Leseth and Jessi Hafer

RE: **ADOPT EIGHT-HOUR OZONE REASONABLY AVAILABLE  
CONTROL TECHNOLOGY – STATE IMPLEMENTATION  
PLAN (RACT SIP) ANALYSIS**

## RECOMMENDATION:

1. Adopt the Eight-Hour Ozone Reasonably Available Control Technology – State Implementation Plan (RACT SIP) Analysis,
2. Adopt Negative Declaration for Two Source Categories Covered by EPA Control Technology Guidelines, and
3. Authorize the Chair to sign the attached resolutions.

## BACKGROUND:

The San Joaquin Valley Air Basin (SJVAB) is classified as a serious ozone nonattainment area for the federal eight-hour ozone National Ambient Air Quality Standard (NAAQS) and classified as severe nonattainment for the state ozone air quality standard.

To improve the SJVAB's air quality and move the region towards attainment of the NAAQS, the District has prepared and adopted several attainment plans since the eight counties within the SJVAB unified as a single air district in 1991. The District has also adopted over 500 new rules and amendments since 1992. Many current rules are fourth or fifth generation, meaning that they have been revised as new emission control technology has become available in the marketplace. The District's continuous dedication to improving rule stringency has resulted in the District having met or exceeded required rate of progress (ROP) and reasonable further progress (RFP) emission reduction requirements imposed by the federal Clean Air Act.

The control measures in the District's Rules and Regulations have been progressively advanced through the years such that they reflect technologies and methods that are far beyond RACT.

The purpose of this analysis is to fulfill the federal requirement pursuant to the United States Environmental Protection Agency (EPA) "Final Rule to Implement the Eight-hour Ozone NAAQS" (70 FR 71612, November 29, 2005), which requires certain non-attainment areas to submit a State Implementation Plan (SIP) revision to the EPA. The SIP revision must demonstrate that current rules fulfill Reasonably Available Control Technology (RACT) for all federal Control Techniques Guidelines (CTG) categories and all major, non-CTG sources. The submission of a RACT SIP analysis to EPA is in addition to the requirement to submit a comprehensive eight-hour Ozone Attainment Demonstration Plan (OADP). EPA's deadline for the submittal of the RACT SIP analysis is September 15, 2006.

### **DISCUSSION:**

The RACT SIP analysis requires the District to evaluate rules that apply to sources that are covered by a CTG (CTG sources) and rules that apply to major sources but are not covered by a CTG (major, non-CTG sources). District staff's analysis concluded that all rules that apply to CTG sources in the District and all rules that apply to major, non-CTG sources have been found to fulfill RACT. Had the analysis identified a source category that was not covered by RACT in the District's current regulations, the District would have needed to adopt a RACT rule as part of the OADP. In actuality, staff found no gaps in RACT coverage, but identified nine current rules that need to be submitted for SIP approval.

There are also two CTG source categories that have no associated District rules: (a) pharmaceutical manufacturing; and (b) coating operations at shipbuilding/ship repair facilities. Since there are no such business establishments currently operating in the District, staff has prepared a negative declaration, which will be included in the resolution stating this finding. The proposed negative declaration analysis is detailed in Appendix F of the Staff Report.

A list of all District rules was prepared and refined to only include rules that control ozone precursors, NO<sub>x</sub> or VOC, since this analysis is for an ozone attainment plan. These rules can be either SIP-approved, or non-SIP-approved.

EPA-evaluated rules submitted for SIP revision to ensure they fulfilled RACT at the time of their SIP-approval evaluation. Since RACT evolves as control technology improves, District staff conducted further analysis to evaluate rules against current RACT technology. Basic guidelines for the analysis were:

- If the rule's approval date was after January 1, 2002, then that rule was deemed to fulfill RACT because the rule had recently been analyzed pursuant to California Health and Safety Code (CH&SC), for state Best Available Retrofit Control Technology (BARCT) and All Feasible Control Measures (AFCM). California BARCT and AFCM are equal to or more effective controls than RACT.
- If the rule amendment date was prior to January 1, 2002, District staff compared the rule requirements to current control technology. Rules meeting current control technology standards were presumed to fulfill RACT. If the rule provisions were determined to be less stringent than the current control technology, then the rule does not fulfill RACT and revisions to the rule would be included as a control measure commitment in the District's eight-hour OADP.
- Staff's analysis concluded that the District current rule provisions are as stringent as currently available control technology, and, therefore, fulfill RACT requirements.

Not all District rules have been approved for inclusion into the SIP. There are four main groups of non-SIP-approved rules.

- The first group of non-SIP-approved rules includes new rules that have no previous versions and have only recently been submitted to EPA for SIP approval. Since the District adopted these rules within the last two years, staff concluded that the control technology associated with the rule provisions has been recently assessed pursuant to the requirement of CH&SC to implement BARCT and AFCM for these source categories, and therefore fulfill RACT. In Appendix D Table D-1, this conclusion is stated as "Recent BARCT analysis."
- The second group of non-SIP-approved rules includes previously SIP-approved rules that have been recently amended. As with the new rules, the recently amended rules fulfill RACT because the rule provisions have recently been analyzed pursuant to CH&SC requirements to implement BARCT and AFCM. These are also noted as "Recent BARCT analysis" in the analysis.
- The third group of non-SIP-approved rules includes those rules that were amended in the past but were never resubmitted to EPA for SIP approval. There are four rules in this group: two rules apply to CTG sources and two rules apply to major, non-CTG sources. District staff evaluated whether the rule requirements are similar to current control technology. District staff's analysis concluded that there are no rules where current technology is more stringent than the current rules' provisions. The four rules in Appendix C Table C-4 of the attached Final Draft Staff Report are District rules that were approved under a the old District rule-numbering system. District staff recommends that these rules be submitted for SIP approval to change the rule number to the District's current four-digit rule-numbering system.

- The fourth group of rules that have not been SIP-approved includes those rules that have been submitted for inclusion in the California SIP. There are five rules in this group in Appendix C Table C-5. Three of the five are from individual county rules that were SIP-approved prior to District unification. District staff recommends that all five rules be submitted to the EPA for inclusion into the California SIP.

District staff's analysis finds that all rules that apply to CTG sources in the District and all rules that apply to major, non-CTG sources have been found to fulfill RACT. For the two CTG source categories that have no associated District rules, District staff has prepared a negative declaration, in accordance with EPA's directive, for consideration of approval by the Governing Board at the August 17, 2006 public hearing. The proposed negative declaration analysis is detailed in Appendix F of the Staff Report.

### **Environmental Impact Analysis**

The RACT SIP Analysis is an evaluation of the current District rules and will not result in new or revised District regulations. Therefore, adoption of the proposed analysis is not a project as described in Section 15378(a) of the CEQA guidelines and does not need to undergo CEQA analysis.

### **Project Development Process**

Although the eight-hour OADP is not due to EPA until June 2007, the District must submit a RACT SIP analysis to EPA by September 15, 2006. A 30-day public review period for the draft analysis was held from April 18, 2006 to May 18, 2006. Comments received from EPA, ARB, the public and interested parties have been incorporated in the analysis, as appropriate. Staff is recommending that the Governing Board consider adopting the Final Draft Staff Report for the RACT SIP Analysis and the negative declaration at a public hearing scheduled for August 17, 2006. The Final Draft Staff Report was published prior to the August 17, 2006 public hearing. The notice of the public hearing was published in a general circulation newspaper in each of the eight San Joaquin Valley counties, and was mailed to affected sources and interested parties. The notice of public hearing solicited written comments, and identified the name and telephone number of District staff that answered questions and responded to comments.

### **FISCAL IMPACT:**

District staff expects no fiscal impact to the District to result from this action.

#### *Attachments:*

*Resolution for the Eight-Hour Ozone Reasonably Available Control Technology – State Implementation Plan (RACT SIP) Analysis (3 pages)*

*Resolution for Negative Declaration for Two Source Categories Covered by EPA Control Technology Guidelines (3 pages)*

*Final Draft Staff Report with Appendices For the Eight-Hour Ozone RACT SIP Analysis (68 pages)*